

APPENDIX B

Page 1

BACKMAN WATER COMPANY SUMMARY OF EARNINGS Test Year 2000

| | From Res W-4310 | From Res-4335 | Adopted |
|--|--------------------|------------------|-----------|
| Operating Revenues | | | |
| Flat Rate | \$672,981 | \$730,590 | \$831,235 |
| Metered | 57,398 | 62,311 | \$70,895 |
| Private Fire Protection | 44,051 | 44,051 | \$50,119 |
| Public Fire | 5,039 | 5,039 | \$5,733 |
| Other | 6,394 | 6,394 | \$6,394 |
| Total Revenue | \$785,863 | 848,385 | 964,377 |
| Operating Expenses | | | |
| Purchased Power | 198,323 | 260,845 | 260,845 |
| Employee Labor | 65,080 | 65,080 | 65,080 |
| Materials | 12,450 | 12,450 | 12,450 |
| Contract Work | 11,240 | 11,240 | 11,240 |
| Transportation | 39,440 | 39,440 | 39,440 |
| Other Plant Maintenance | 19,550 | 19,550 | 19,550 |
| Office Salaries | 60,000 | 60,000 | 60,000 |
| Management Salaries | 89,160 | 89,160 | 89,160 |
| Empl. Pens & Bens | 33,810 | 33,810 | 33,810 |
| Uncollectibles | 500 | 500 | 500 |
| Office Serv & Rent | 68,520 | 68,520 | 68,520 |
| Office Supplies & Expense | 41,970 | 41,970 | 41,970 |
| Professional Services | 16,200 | 16,200 | 16,200 |
| Insurance | 30,110 | 30,110 | 30,110 |
| General Expense | 16,920 | 16,920 | 16,920 |
| Reg. Comm. Exp. | 5,400 | 5,400 | 5,400 |
| Subtotal | 708,673 | 771,195 | 771,195 |
| Depreciation Expense | 45,760 | 45,760 | 45,760 |
| Taxes Other than on Income | 30,630 | 30,630 | 30,630 |
| State Income Tax | | | 10,324 |
| Federal Income Tax | 800 | 800 | 24,772 |
| Total Deductions | 785,863 | 848,385 | 882,681 |
| Net Revenue/Operating Margin | 0 | 0 | 81,696 |
| Rate Base | | | |
| Average Plant | 2,762,860 | 2,762,860 | 2,147,560 |
| Average Depr. Reserve | 1,076,830 | 1,076,830 | 977,679 |
| Net Plant | 1,686,030 | 1,686,030 | 1,169,881 |
| Less Contributions | 1,682,450 | 1,682,450 | 1,006,921 |
| Plus Working Cash | 0 | 0 | 0 |
| Accum. Defer. Inc. Tax | 14,530 | 14,530 | 14,530 |
| Rate Base | -10,950 | -10,950 | 148,430 |
| Value for Operating Margin Calculation (Operating Expenses plus Depreciation) | | | 816,955 |
| Rate of Return | 0 | 0 | |
| Operating Ratio | | | 10% |

APPENDIX B

Page 2

Backman Water Company
Rate Base
2002

Adopted

1) AVERAGE PLANT

| | |
|-----------|-----------|
| Avg Plant | 2,147,560 |
|-----------|-----------|

2) DEPRECIATION

| | |
|------------------|---------|
| Avg Depreciation | 977,679 |
|------------------|---------|

3) NET PLANT

| | |
|--|-----------|
| | 1,169,881 |
|--|-----------|

4) CONTRIBUTION

| | |
|----------------------|-----------|
| Contrib incl (Gallo) | 774,671 |
| (Shell) | 232,250 |
| Total Contribution | 1,006,921 |

| | |
|----------------------|---|
| 5) Plus Working Cash | 0 |
|----------------------|---|

| | |
|---------------------------|--------|
| 6) Less Deferred Incl Tax | 14,530 |
|---------------------------|--------|

| | |
|---------------------|----------------|
| 7) Rate Base | 148,430 |
|---------------------|----------------|

* The values of ratebase components shown above are approximate.
Backman Water Co. shall correct entries into its accounting books
and submit corrected values to the Water Division for approval per
instant Decision.

(End of APPENDIX B)

APPENDIX C

Page 1

Bakman Water Company

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Fowler Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATES

Quantity Rate:

All water, per 100 cu. ft.....\$0.684 (I)

Per Meter
Per Month

Service Charge:

| | | |
|-------------------------------|---------|-----|
| For 5/8 x 3/4-inch meter..... | \$ 6.20 | (I) |
| For 3/4-inch meter..... | 6.71 | |
| For 1-inch meter..... | 8.92 | |
| For 1-1/2-inch meter..... | 13.25 | |
| For 2-inch meter..... | 17.82 | |
| For 3-inch meter..... | 35.59 | |
| For 4-inch meter..... | 49.57 | |
| For 6-inch meter..... | 83.47 | |
| For 8-inch meter..... | 122.16 | |
| For 10-inch meter..... | 148.78 | (I) |

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the monthly charge computed at the Quantity Rate.

APPENDIX C

Page 2

Bakman Water Company

Schedule No. 1

(continued)

METERED SERVICE

SPECIAL CONDITIONS

1. The established billing cycle for General Metered Service is every two months.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

APPENDIX C

Page 3

Bakman Water Company

Schedule No. 2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Fowler Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATES

| | Per Service Connection | |
|--|------------------------|-----|
| | <u>Per Month</u> | |
| | Connection | |
| | <u>Charge</u> | |
| 1. For each single-family residential unit, including premises not exceeding 14,000 sq.ft. in area..... | \$19.58 | (I) |
| 2. For a multiple unit residential unit, including two units and premises..... | 27.66 | |
| a. For each additional unit..... | 13.82 | |
| 3. For each business establishment with one toilet and wash basin and served from a 3/4-inch service connection..... | 12.10 | |
| 4. For each business establishment served from a 1-inch service connection..... | 39.01 | |
| 5. For a 2-inch service connection to Raintree Nursing Home..... | 86.37 | |
| 6. For a 4-inch service connection to Easterby School No. 2 (Turner School)..... | 242.57 | (I) |

APPENDIX C

Page 4

Bakman Water Company

Schedule No. 2

(continued)

GENERAL FLAT RATE SERVICE

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one-inch in diameter, except as noted.
2. All service not covered by the above classification shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the customer so elects, a meter shall be installed at customer's expense and service provided under Schedule No. 1, General Metered Service, effective as of the first day of the next calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.
4. The established billing cycle for residential flat rate service is every two months.
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

APPENDIX C

Page 5

Bakman Water Company

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately-owned fire protection systems.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Fowler Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATES

| | <u>Per Month</u> | |
|---|------------------|-----|
| For each inch of diameter of service connection | \$3.93 | (I) |

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

APPENDIX C

Page 6

Bakman Water Company

Schedule No. 4

(continued)

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (continued)

4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, and installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage, or waste of water and with the cost paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.

APPENDIX C

Page 7

Bakman Water Company

Schedule No. 5

PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized fire districts, and other political subdivisions of the State.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Fowler Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATE

| | <u>Per Month</u> |
|------------------------|------------------|
| For each hydrant | \$6.12 (I) |

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rate under Schedule No. 1, General Metered Service.
2. Relocation of any fire hydrant shall be at the expense of the party requesting relocation.
3. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public utility. Such authorization shall designate the specific location at which each is to be installed.
4. The utility shall supply only such water at such pressure as may be available from time to time as a result of the normal operation of the system.

(END OF APPENDIX C)

APPENDIX D

Page 1

Bakman Water Company

Schedule No. 1

GENERAL METERED SERVICE

COMPARISON OF RATES

A comparison of the present and Branch's recommended rates is shown below:

METERED SERVICE

| | <u>Per Meter Per Year</u> | | |
|-------------------------------|---------------------------|--------------------|-----------------|
| | <u>Present</u> | <u>Recommended</u> | <u>Percent</u> |
| | <u>Rates</u> | <u>Rates</u> | <u>Increase</u> |
| Quantity Rates: | | | |
| All water, per 100 cu.ft..... | \$ 0.610 | \$ 0.684 | 12.1% |
| Service Charge: | | | |
| For 5/8 x 3/4-inch meter..... | \$ 6.01 | \$ 6.20 | 10.3% |
| For 3/4-inch meter..... | 6.50 | 6.71 | 10.3% |
| For 1-inch meter..... | 8.64 | 8.92 | 10.3% |
| For 1-1/2-inch meter..... | 12.84 | 13.25 | 10.3% |
| For 2-inch meter..... | 17.27 | 17.82 | 10.3% |
| For 3-inch meter..... | 34.49 | 35.59 | 10.3% |
| For 4-inch meter..... | 48.04 | 49.57 | 10.3% |
| For 6-inch meter..... | 80.89 | 83.47 | 10.3% |
| For 8-inch meter..... | 118.38 | 122.16 | 10.3% |
| For 10-inch meter..... | 144.18 | 148.78 | 10.3% |

APPENDIX D

Page 2

Bakman Water Company

Schedule No. 2

GENERAL FLAT RATE SERVICE

COMPARISON OF RATES

A comparison of BWC's present rates and the Branch's recommended rates for flat-rate service is listed below:*

| | <u>Per Meter Per Month</u> | | <u>Percent Increase</u> |
|--|----------------------------|-----------------|-------------------------|
| | <u>Present</u> | <u>Proposed</u> | |
| 1. For a single-family residential unit including premises not exceeding 14,000 sq. ft. in area..... | \$ 17.77 | \$ 19.58 | 10.2% |
| 2. For a multiple unit residential unit, including two units and premises..... | 25.10 | 27.66 | 10.2 |
| a. For each additional unit..... | 12.54 | 13.82 | 10.2 |
| 3. For each business establishment with one toilet and wash basin and served from a ¾-inch service connection..... | 10.98 | 12.10 | 10.2 |
| 4. For each business establishment served from a 1-inch service connection..... | 35.41 | 39.01 | 10.2 |
| 5. For a 2-inch service connection to Raintree Nursing Home..... | 78.39 | 86.37 | 10.2 |
| 6. For a 4-inch service connection to Easterby School No. 2 (Turner School)..... | 220.16 | 242.57 | 10.2 |

APPENDIX D

Page 3

Bakman Water Company

COMPARISON OF RATES

Bill comparisons for a two-month billing period for various metered customers are shown below:

3/4-Inch Meter

| Usage 100 cf/mo. | Present Bills | Proposed Bills | Amount of Increase | Percent Increase |
|---------------------|------------------|-------------------|-----------------------|---------------------|
| 0 | \$13.00 | \$13.42 | \$ 0.42 | 3.2 |
| 10 | 25.20 | 27.10 | 3.16 | 7.5 |
| 20 | 37.40 | 40.78 | 3.38 | 9.0 |
| 30 | 49.60 | 54.46 | 4.86 | 9.8 |
| 50 | 74.00 | 81.82 | 7.82 | 10.6 |

2-Inch Meter

| Usage 100 cf/mo. | Present Bills | Proposed Bills | Amount of Increase | Percent Increase |
|---------------------|------------------|-------------------|-----------------------|---------------------|
| 0 | \$ 34.54 | \$ 35.64 | \$ 1.10 | 3.2 |
| 25 | 65.04 | 69.84 | 4.80 | 7.4 |
| 50 | 95.54 | 104.04 | 8.50 | 8.9 |
| 75 | 126.04 | 138.24 | 12.20 | 9.7 |
| 100 | 156.54 | 172.44 | 15.90 | 10.2 |

APPENDIX D

Page 4

Bakman Water Company

COMPARISON OF RATES

Bill comparisons for a two-month billing period for various flat-rate customers are shown below:

Residential Customers with a 5/8 x 3/4-Inch Meter

| Present <u>Rates</u> | Proposed <u>Rates</u> | Amount of <u>Increase</u> | Percent <u>Increase</u> |
|-------------------------|--------------------------|------------------------------|----------------------------|
| \$ 35.54 | \$ 39.16 | \$ 3.62 | 10.2 |

Business Establishment Served with a 3/4-Inch Meter

| Present <u>Rates</u> | Proposed <u>Rates</u> | Amount of <u>Increase</u> | Percent <u>Increase</u> |
|-------------------------|--------------------------|------------------------------|----------------------------|
| \$ 21.96 | \$ 24.20 | \$ 2.24 | 10.2 |

(END OF APPENDIX D)

APPENDIX E

Page 1

Bakman Water Company

ADOPTED QUANTITIES

Test Year 2000

Expenses

| | | |
|----|-------------------------------|-----------------------|
| 1. | Vendor | PG&E |
| | Schedule | A1, A1P, A6P, and A10 |
| | Effective Date | January 1, 2001 |
| | Winter Energy Charge | |
| | Avg. Rate per kWh | \$0.12696 |
| | Avg. Power Consumption in kWh | 587,401 |
| | Winter Charge | \$ 74,576 |
| | Summer Energy Charge | |
| | Avg. Rate per kWh | \$0.18176 |
| | Avg. Power Consumption in kWh | \$1,024,810 |
| | Summer Charge | \$186,269 |
| | Total Purchased Power | \$260,845 |
| 2. | Purchased Water | None |
| 3. | Ad Valorem Taxes | \$ 12,510 |
| | Composite Tax Rate | 1.50841% |
| | Assessed Value | \$829,350 |
| 4. | Water Testing Expense | \$ 3,334 |

(Continued)

APPENDIX E

Page 2

Bakman Water Company

ADOPTED QUANTITIES

Test Year 2000

5. Number of Customers

Metered Customers:

| | |
|-------------|----------|
| 5/8" x 3/4" | 0 |
| 3/4" | 0 |
| 1-1/2" | 8 |
| 2" | 40 |
| 3" | 3 |
| 4" | <u>2</u> |

Total: 53

Flat Rate Customers: 1754

Private Fire Protection:

| | |
|-----|----------|
| 6" | 134 |
| 8" | 31 |
| 10" | <u>1</u> |

Total: 166

Public Fire Protection: 78 Hydrants

(Continued)

APPENDIX E

Page 3.

Bakman Water Company

ADOPTED INCOME TAX CALCULATIONS

Test Year 2000

| <u>Line No.</u> | <u>Item</u> | <u>State Tax</u> | <u>Federal Tax</u> |
|---------------------|------------------------------------|----------------------|------------------------|
| 1. | Operating Revenues | \$964,377 | \$964,377 |
| 2. | Expenses | 771,195 | 771,195 |
| 3. | Taxes Other Than Income | 30,630 | 30,630 |
| 4. | Depreciation | 45,760 | 45,760 |
| 5. | State Taxable Income | 116,792 | |
| 6. | State Tax (@8.84%) | 10,324 | |
| 7. | Federal Taxable Income (FIT) | | 106,467 |
| 8. | FIT @ 15% of first \$50,000 | | 7,500 |
| | FIT @ 25% of next \$25,000 | | 6,250 |
| | FIT @ 34% of next \$25,000 | | 8,500 |
| | FIT @ 39% of amount over \$100,000 | | 2,522 |
| | Total FIT | | 24,772 |
| 9. | TOTAL INCOME TAX | 35,096 | |

(END OF APPENDIX E)